



39 U.S.C. § 3622(d)(2)(A) (emphasis added). To conform to the statute, proposed Rule 3010.1(b) should be revised to read,

*Class* means a class of mail, as defined in the Domestic Mail Classification Schedule as in effect on the date of enactment of the Postal Accountability and Enhancement Act.

Compliance with the definition of “class” prescribed by 39 U.S.C. § 3622(d)(2)(A) is essential to giving proper effect to the statute. The CPI-based price cap established by 39 U.S.C. § 3622(d) is the centerpiece of the Postal Accountability and Enhancement Act of 2006 (“PAEA”), and is critical to ensuring rate stability and predictability and encouraging efficiency. As the Commission noted in 2010:

In December 2006, bipartisan legislation reformed the process for changing postal rates. The centerpiece of this reform is a price cap limiting increases to the rate of inflation which ensures rate stability and predictability for the nation’s mail users, and provides incentives for the Postal Service to reduce costs and operate efficiently.

Order No. 547, Docket No. R2010-4, *Rate Adjustment Due to Extraordinary or Exceptional Circumstances* (September 30, 2010) at 1, remanded on other grounds, *USPS v. PRC*, 640 F.3d 1263 (D.C. Cir. 2011). The language of Section 3622, the price cap provision, which was exhaustively explored and debated by Congress over more than a decade before the passage of the law in 2006, appropriately applies the price cap to each class. Applying the price cap at this level strikes the appropriate balance between the Postal Service’s need for flexibility in intra-class rate decisions and the need to safeguard captive customers from abuse of the Postal Service’s market power.

Ensuring rate stability and predictability is particularly critical for Periodical Mail. The PAEA recognizes the social importance of periodicals and other forms of reading matter—magazines, newspapers and books—for their educational, cultural, scientific and informational (“ECSI”) value. The goal of promoting nationwide distribution of the printed word was one of the main reasons for America’s government-sponsored postal system from its original establishment. Beginning with the 1792 Post Office Act, and continuing in every major revision of postal law since then (1845, 1863, 1912, 1917, 1958, 1970 and 2006), successive Congresses and Administrations have agreed that encouraging the distribution of periodicals through the mail is in the national interest. The central role of magazines, newspapers, and books in educating and informing the public is as important today as it was when the national postal system was first created over two hundred years ago.

Respectfully submitted,

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